



**Universal Service Administrative Company**  
Schools & Libraries Division

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**Administrator's Decision on Appeal – Funding Year 2011-2012**

February 12, 2013

Mike Malone  
South City Preparatory Academy  
2900 S. Grand Blvd  
St Louis, MO 63118

Re: Applicant Name: SOUTH CITY PREPARATORY ACADEMY  
Billed Entity Number: 16063596  
Form 471 Application Number: 815727  
Funding Request Number(s): 2224379, 2233093, 2233182  
Your Correspondence Dated: January 22, 2013

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2011 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 2224379, 2233093, 2233182  
Decision on Appeal: **Denied**  
Explanation:

- The FCC Form 470 associated with these FRNs contains service provider contact information. Specifically, the following contact information: phone and fax number matches the contact information for the service provider, Moore Computing, LLP SPIN 143022721. A competitive bidding violation occurs when a service provider associated with a FCC Form 470 participates in the competitive bidding process. Therefore, funding was denied. Although you state on appeal that you cancelled Priority 2 FRN 2224469 and state that Kapp took no part in this Priority 1 application, the service provider contact information on Block 12 of the Form 470 violates the competitive bidding requirements for the FRNs listed above. In your appeal, you have not shown that USAC's determination was incorrect. Consequently, USAC denies your appeal.

- FCC rules require that, except under limited circumstances, an eligible school, library or consortium that includes an eligible school or library shall seek competitive bids for all services eligible for support and must conduct a fair and open competitive bidding process. *See* 47 C.F.R. sec. 54.503(a) and (b). The following actions violate a fair and open competitive bidding process: the applicant for supported services has a relationship with a service provider that would unfairly influence the outcome of a competition or would furnish the service provider with inside information; someone other than the applicant or an authorized representative of the applicant prepares, signs, and submits the FCC Form 470 and certification; a service provider representative is listed as the FCC Form 470 contact person and allows that service provider to participate in the competitive bidding process; the service provider prepares the applicant's FCC Form 470 or participates in the bid evaluation or vendor selection process in any way; the applicant turns over to a service provider the responsibility for ensuring a fair and open competitive bidding process; an applicant employee with a role in the service provider selection process also has an ownership interest in the service provider seeking to participate in the competitive bidding process; and the applicants FCC Form 470 does not describe the supported services with sufficient specificity to enable interested service providers to submit responsive bids. *See* 47 C.F.R. sec. 54.503(a). Pursuant to the FCC guidance, the fair and open competitive bidding process is violated if any service provider contact information is listed on the associated FCC Form 470, including address, telephone, fax numbers, and e-mail address. *See* Request for Review of the Decision of the Universal Service Administrator by Consorcio de Escuelas y Bibliotecas de Puerto Rico, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., File No. SLD-228216, CC Docket Nos. 96-45 and 97-21, Order, 17 FCC Rcd 13628, DA 02-1676 para. 11 (rel. July 15, 2002). The FCC's Fifth Report and Order requires recovery of all funds disbursed for any funding request in which the competitive bidding rules have been violated. *See* Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Fifth Report and Order and Order, 19 FCC Rcd 15815-15816, FCC 04-190 para. 21 (rel. Aug. 13, 2004).

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division  
Universal Service Administrative Company



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Lawrence, KS 66044

Billed Entity Number: 16063596  
Form 471 Application Number: 815727  
Form 486 Application Number:

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